

# Employer UPDATE

A PUBLICATION OF THE ARIZONA STATE RETIREMENT SYSTEM

August 2003

## Inside This Issue....



**ASRS Annual Employer Conference**



**Contributions Not Withheld Legislation**



**Hiring Retirees**



**Military Call-up**

## ROUTING SLIP

Human Resources \_\_\_\_\_

Payroll \_\_\_\_\_

Benefits \_\_\_\_\_

Accounting \_\_\_\_\_

## Helpful Web Sites

### Arizona State Retirement System

[www.asrs.state.az.us](http://www.asrs.state.az.us)

### Arizona Legislature

[www.azleg.state.az.us](http://www.azleg.state.az.us)

### Social Security Online

[www.ssa.gov](http://www.ssa.gov)

### Internal Revenue Service

[www.irs.gov](http://www.irs.gov)

### State of Arizona

[www.az.gov](http://www.az.gov)

### Medicare

[www.Medicare.gov](http://www.Medicare.gov)

## You're Invited!

### ASRS Announces Annual Employer Conference

The Arizona State Retirement System is proud to present our 2003 annual Employer Conference schedule with dates to choose from in August and September.

The meetings are for representatives from your Payroll, Benefits and Human Resource departments and any individual who provides administrative support.

All meetings will be from 9 a.m. to 3 p.m., and will cover the following topics:

- New legislation, including changes to the Modified Drop program, Contributions Not Withheld rules.
- New health insurance laws for rural Arizona and contingent annuitants.
- Membership issues, including Leased Employees and Retirees Returning to Work
- Contribution Accounting, including Military Presidential Call Up; Fiscal Year 2004 Form, and New Retiree Verification Form
- The Contribution Rates: What is the outlook? How do we compare to other systems?
- 415 Limits for Non Retired Members and Retired Members.
- Update on Automation of the Internet.
- Long Term Disability.
- Social Security Title 218 and what it means to the public employer.

Reservations are required. To reserve your spot, please call the ASRS at (602) 308-5107 or (602) 240-2109. You may reach us toll-free at 1-800-621-3778, ext. 5107, or 1-800-621-3778, ext. 2109.

Please turn to Page 2 for Employer Conference Schedule

## ***Employer Conference Schedule, Continued from the Cover***

**Phoenix** - ASRS Office, 3300 N. Central Ave., 10<sup>th</sup> Floor Board Room, on:

August 4	September 4
August 5	September 5
August 7	September 15
August 25	September 16
August 26	
August 28	

**Yuma** - August 12 at the Yuma City Hall, Conference Room 190, One City Plaza

**Kingman** - August 13 at the Kingman School District Conference Room, 3033 MacDonald Avenue

**Flagstaff** - September 8 at the Coconino County Board of Supervisors Building, 219 East Cherry Road

**Holbrook** - September 9 at the Northland Pioneer College Painted Desert Campus, 993 East Hermosa Drive

**Show Low** - September 10 at the City of Show Low Council Chambers, 200 West Cooley Street

**Payson** - September 11 at the ADOT Maintenance Yard Training Room , 200 Coldcord Road

**Tucson** - September 22, ASRS Tucson Office, 7660 East Broadway Boulevard, Suite 101

**Sierra Vista** - September 23, at the City of Sierra City Council Chambers, 1100 North Coronado Drive

**Safford** - September 24, at the Graham County Board of Supervisors Room, 921 Thatcher Boulevard

**Globe** - September 25 at the Gila County Board of Supervisors Room, 1400 East Ash Street

### **Contributions Not Withheld Legislation**

New legislation was passed this past session related to Contributions Not Withheld. There are new implications for employers.

The new law becomes effective October 19, 2003. For one year only, an individual member or an employer can request a CNW cost letter that spans the work history of a member. If there is an issue

**Please go to Page 3**

#### **Contact us**

Michele Briggs  
Employer Relations Manager  
(602) 240-2022  
[micheleb@asrs.state.az.us](mailto:micheleb@asrs.state.az.us)

Rita Anne Johnson  
Employer Relations Liaison  
(602) 240-2147  
[Ritaj@asrs.state.az.us](mailto:Ritaj@asrs.state.az.us)

## Employer UPDATE

### ASRS Board

**Karl Polen Jr., Chairman**  
Phoenix, Public

**Norman Miller, Vice President**  
Phoenix, Public

**Charlotte Borchert**  
Chandler, Retirees

**Jim Bruner**  
Scottsdale, Public

**Dr. Chuck Essigs**  
Scottsdale, Educators

**Keith Meredith**  
Tucson, Member at Large

**N. Carl Tenney**  
Town of Chino Valley,  
Political Subdivisions

**Lawrence Trachtenberg**  
Scottsdale, Public

**Steven Zeman**  
Phoenix, State employees

**ASRS Web site:**  
[www.asrs.state.az.us](http://www.asrs.state.az.us)

### ARIZONA STATE RETIREMENT SYSTEM

3300 North Central Avenue  
P.O. Box 33910

**Phoenix, Arizona 85067-3910**  
(602) 240-2000

Toll Free Outside Metro Phoenix:  
1(800) 621-3778

7660 East Broadway Boulevard  
Suite 108

**Tucson, Arizona 85710-3776**  
(520) 239-3100

Toll Free Outside Metro Tucson:  
1(800) 621-3778

**Director**  
Paul Matson

**Deputy Director of External Affairs**  
Richard L. Stephenson

**Employer Relations Manager**  
Michele Briggs

**Employer Relations Liaison**  
Rita Anne Johnson

## Continued from Page 2

between employer and employee, and the employee is due service credit, the cost to the employer is the contributions and all interest that would have been earned. The cost to the member is the contributions that should have been paid.

After July 1, 2004, the law only allows this type of purchase to go back 15 years from the date of request. Any time after the 15 years will be considered Other Public Service Not Participating in a retirement system.

Detailed information regarding this law will be discussed at the Employer Relations Conference.

## HIRING RETIREES

The new fiscal year is here. With the new contribution rate and tight budgets, many employers are looking to hire retirees. It is the responsibility of the retiree to let the employer know that they retired from the ASRS. It is also recommended that the employer ask if the person has retired from the ASRS. If the answer is yes, there are guidelines an employer needs to follow:

1. When did the retiree retire? If the retiree has not been retired a year, the retiree can only work 19 weeks at 20 hours or more a week. The rest of the year, the retiree must work less than 20 hours in a week.
2. Retired more than a year? If the answer is yes, is the retiree at normal retirement?

Normal retirement means 80 points (age plus years of service), age 62 with 10 years, or age 65? If yes, the retiree may return to work full time. Remember, the retiree must sign a letter of understanding. The letter states the retiree understands no retirement or LTD contributions will be deducted and they cannot come back later and try to purchase this time as contributions not withheld by the employer.

If the member is not at normal retirement, they are only allowed to work 19 weeks at 20 or more hours a week and the rest of the year less than 20 hours a week.

3. Need assistance determining if the retiree is eligible to return to work fulltime? You can always call or e-mail the ASRS Employer Relations Program for assistance.

# Military Call-up

The Arizona State Retirement System has received several inquiries recently from employers and employees regarding military call-up.

If a member is ordered by a Presidential call-up to active military service from covered employment with an ASRS employer, the member is entitled to ASRS credited service for up to four years of the period of the active duty. Eligibility to purchase up to four years of credited service is based on any of the following conditions:

- The member must return to employment with the same employer within 90 days of service termination;
- The member is hospitalized as a result of military service, they then must return to employment for the same employer from which the member left for active military service; or
- The member must return to employment within 90 days after release from service related hospitalization; or
- If the member dies as a result of the military service (see paragraph below)

Confirmation of the status of the service as call-up under a presidential order will be documented in the official military orders for active duty.

~~On the employee's return to employment, the~~ employer is required to pay employee and employer contributions for the period of the active duty call up service based on the member's compensation when called to active duty. Please see section 6 on how contributions should be reported.

**[WWW.ASRS.STATE.AZ.US](http://WWW.ASRS.STATE.AZ.US)**

## Employer UPDATE

is published periodically for employers of the Arizona State Retirement System by the External Affairs Division. Comments and questions may be directed to the Editor, or call (602) 240-2022 in metro Phoenix, (520) 239-3100 ext. 2022 in metro Tucson or toll-free outside metro Phoenix and Tucson at 1 (800) 621-3778. ext. 2022.